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January 19, 2006

MEMORANDUM

TO: Legislative Oversight Committee Members
Commission for MH/DD/SAS
Consumer/Family Advisory Committee Chairs
State Consumer Family Advisory Committee Chairs
Advocacy Organizations and Groups
North Carolina Association of County Commissioners
County Managers
County Board Chairs
North Carolina Council of Community Programs
State Facility Directors
Area Program Directors
Area Program Board Chairs
DHHS Division Directors
Provider Organizations
MH/DD/SAS Professional Organizations and Groups
MH/DD/SAS Stakeholder Organizations and Groups
Other MH/DD/SAS Stakeholders

FROM: Allen Dobson, MD
Mike Moseley

SUBJECT: Enhanced Services Implementation

The federal Centers for Medicare and Medicaid Services (CMS) has approved our Medicaid State Plan Amendment (SPA) to implement the Enhanced Benefit Services we proposed under the Rehabilitation Option. The final, approved version of the service definitions is available on the DMH/DD/SAS website at <http://www.dhhs.state.nc.us/mhddsas>. **These new services become effective Monday, March 20, 2006.** Outlined below are our plans for dealing with some important initial transition and implementation issues.

Person Centered Plans

As we work to make our system more consumer-focused and outcome-driven, one of the key changes we are making is the implementation of Person Centered Planning for all people with significant mental health, developmental disabilities and substance abuse services issues. All of the new services to be implemented on

March 20, 2006 require the development of a Person Centered Plan (PCP). Person Centered Planning takes a strengths-based approach to identifying the services and supports that may be medically necessary to assist individuals in achieving their goals and objectives. Person Centered Planning puts consumers and their families in charge of defining the direction of their lives.

The development of a full PCP takes a considerable amount of time. A full PCP includes information on the natural and community supports to which a consumer has access to help achieve his/her goals, a crisis plan that outlines in advance the actions that will take place if the consumer experiences a crisis, and an individualized treatment plan that outlines the paid services and supports the consumer will receive. We recognize that there is not sufficient time prior to the implementation of the new services for all consumers to work with a clinician of their choice to develop a full PCP. In order to ensure that consumers continue to receive needed services during the implementation phase, the following transition plan has been developed:

1. DMA and DMH/DD/SAS will publish a crosswalk of old services to new services. If the services a consumer will receive at implementation crosswalks to the services they currently receive and the authorized number of units is unchanged, the clinician may just note the change in service name on the treatment plan and sign and date the plan.
2. If a consumer is currently receiving more than one service and the new service definitions contain an exclusion that prohibits any of the services they are currently receiving to be delivered concurrently, the clinician may simply note on the treatment plan the service(s) to be removed and note that the removal is due to service exclusions, sign and date the plan. [Note: this process only speaks to quickly adjusting the treatment plan. Medicaid eligible consumers are entitled to due process rights. Medicaid eligible consumers must receive a formal notification, including notification of their appeal rights, for any services that Medicaid continues to cover that are removed from the plan through this procedure. See the discussion of due process notices later in this document.]
3. If a consumer will receive a new service that does not crosswalk from an existing service, a full PCP must be developed. If a consumer accesses a new enhanced benefit after the implementation of the new services definitions, a full PCP will need to be developed within the first 30 days of service.
4. All consumers currently receiving services, whose treatment plan component is adjusted at implementation in accordance with paragraphs 1 and 2 above but receive no other new services, will work with a clinician in the month of their next birthday to develop a full PCP.

Provider Endorsement/Enrollment

In addition to significantly expanding and improving the service continuum available to consumers with mental health and substance abuse issues, this SPA also expands direct enrollment into the Medicaid program to all providers of Rehabilitation Option services. Providers will be enrolled in Medicaid as Community Intervention Service providers. Once providers are enrolled, they will directly bill Medicaid for all authorized Medicaid covered services they deliver to Medicaid eligible consumers. We have established a process through which Local Management Entities (LMEs), acting on behalf of DMA, will review the proposed provider's staffing and compliance with the service definitions and endorse the provider, if they meet requirements, for enrollment in the Medicaid program. At the time of implementation, all providers meeting requirements will receive a conditional endorsement until they have actual experience in delivering the new services as defined by the new service definition. Please see DMH/DD/SAS Communication Bulletin #44 (<http://www.dhhs.state.nc.us/mhddsas/announce/index.htm>) for the full policy and procedures on endorsement.

We are very pleased that none of the changes we negotiated with CMS to reach approval of the SPA have affected the endorsement process; the provider qualifications, training and staffing requirements, etc. are all as we initially proposed them. Providers who have already been through the endorsement process and were given a letter indicating their endorsement was approved subject to any changes made by CMS are now eligible for conditional endorsement. Providers wishing to enroll with Medicaid should complete the Medicaid enrollment package (<http://www.dhhs.state.nc.us/dma/Forms/provenroll/cis.htm>) and submit it along with all required documentation and a copy of the LME endorsement letter to DMA Provider Services.

In order to implement this change in as orderly a fashion as possible, we have developed a phase-in plan for provider endorsement. Please see Communication Bulletin # 47, Provider Endorsement Transition Plan at <http://www.dhhs.state.nc.us/mhddsas/announce/index.htm>. Providers wishing to deliver services outlined in the first two phases of endorsement should be actively pursuing endorsement and enrollment. **Providers' enrollment for these first two phases will become effective on March 20, 2006 or the first day of the month in which the completed provider application package and all required document is received by DMA, whichever is later.** Please note that the changes necessary in the provider billing and information system to permit enrollment of providers of these new services are currently being made and it may be several weeks before providers will actually receive provider numbers.

DMA and DMH/DD/SAS are committed to processing endorsements and enrollments as expeditiously as possible. But, we may experience some delay in view of the anticipated volume of requests. To ensure that providers currently delivering services do not experience unnecessary cash flow delays, we have agreed that providers currently delivering services under contract to a LME may continue to bill through the LME for services included in the first two phases of endorsement that are delivered on or before May 31, 2006 if their endorsement/enrollment application is in process but they have not received notification of their new Medicaid provider number. In subsequent transition phases, billing will be permitted for services delivered up to 30 days following the end of the phase.

LMEs wishing to directly provide Medicaid services must also be endorsed by DHHS and enrolled as Community Intervention Services provider. Prior to endorsement, the LME must receive a waiver from the Secretary in order to provide services. A copy of the Secretary's waiver shall be included in the application package submitted to DMA Provider Enrollment Section. Instructions for obtaining the waiver to provide services by a LME have been sent out previously under separate cover.

Subjects for Future Updates:

Due Process Issues

As noted earlier in this correspondence, many Medicaid eligible consumers will need to receive formal notification of service changes and their associated appeal rights as a result of implementation of the new services. We will distribute to LMEs and providers in the next few weeks a standardized letter to be used in those required notices.

Developmental Disabilities

CMS did not approve our proposed enhanced service for people with developmental disabilities that was designed to replace the existing service, Community Based Services (CBS). We are committed to ensuring that all people with developmental disabilities currently receiving CBS are able to access needed service through existing programs. We will publish additional information about our proposed strategy and plan very shortly.

Communications

We are planning a teleconference for late January or early February to discuss implementation plans and issues. Additional information on that event will be published as soon as the date is finalized. In addition, it is our plan to continue to provide written updates such as Question and Answer Documents (Q & A) on a regular basis.

Training

We are aware of the need for additional training in services, basic Medicaid billing, other Medicaid covered services and more specifically how to obtain the 20 hours of required training per service. We will provide more guidance on all areas of training in the near future.

Thank you for your efforts on behalf of people with disabilities. The implementation of the new services represents a whole new phase in our efforts to transform our public MH/DD/SA system. Our staff are committed to working with you to assure a smooth transition. We know that the next few months will be challenging, but we hope you will agree with us that it is also tremendously exciting to be finally implementing these new best practice services that we have discussed for so long.

cc: Secretary Carmen Hooker Odom
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